Consumer Price Index – How the Percent Change is Calculated

Movements of the indexes from one period to another are usually expressed as percent changes rather than changes in index points because index point changes are affected by the level of the index in relation to its base period while percent changes are not. This example illustrates the computation of index points and percent changes

Step 1
Calculating the index point change:

CPI for Anchorage 2015	216.909
Less CPI for previous period – Anchorage 2014	-215.805
Equals index point change	1.104

Step 2
Calculating the percent change:

Index point difference divided by the previous CPI	1.104/215.805 = 0.0051157
Result multiplied by 100 and rounded	0.5